GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:3908
ANSWERED ON:19.04.2000
VISAKHAPATNAM STEEL PLANT
KINJARAPU YERRANNAIDU

Will the Minister of STEEL be pleased to state:

(a) Whether the Visakhapatnam Steel Plant has been referred to B.I.F.R.:

(b) If so, the reasons therefor; and

(c) The strategy proposed for its revival?

Answer

MINISTER OF STATE FOR STEEL

(SHRI DILIP RAY)

(a) Visakhapatnam Steel Plant has only reported to the BIFR under Section 23(a)
(i) of the Sick Industrial Companies (Special Provision) Act, 1985 (SICA), as it has incurred net losses eroding 50% of its net worth.

(b) & (c): Rashtriya Ispat Nigam Ltd. (RINL), Visakhapatnam Steel Plant had submitted a comprehensive turn around proposal for its revival which inter-alia included waiver of losses. The Disinvestment Commission has recommendedwriting off of the entire accumulated losses of the company as on 31.3.1999 alongwith disinvestment of not less than 51% of its remaining equity to a strategic buyer. No final decision has yet been taken on these recommendations.